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CITY MANAGER'S OFFICE

November 19, 2019

VIA U.S. CERTIFIED MAIL
RETURN RECEIPT REQUESTED

City of Kansas City, Missouri
Attention: City Manager
29th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106-2795

VIA U.S. CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kansas City, Missouri Police Department
Attention: Chief of Police
1125 Locust Street, 4th Floor
Kansas City, MO 64106
Fax: (816) 234-5013

Re: Non-Municipal Agency Contract for Inmate Confinement, Assessment, Re-Entry and Rehabilitation Services dated April 24, 2019 (the "Contract"), by and between the City of Kansas City, Missouri ("City"), and Heartland Center For Behavioral Change ("Heartland")

Dear Mr. Schulte and Chief Smith:

I am writing with respect to the Contract between the City and Heartland. Under the Contract, Heartland is required to maintain in effect certain insurance policies, and the City and KCPD are entitled to thirty days' written notice of cancellation of any of these policies for reasons other than non-payment of premiums. Heartland has maintained its Excess Liability Occurrence insurance coverage and its Package insurance coverage, including Commercial General Liability, Professional Liability, Sexual/Physical Abuse Liability, and Employee Benefits Liability coverage, with Philadelphia Indemnity Insurance Company ("Philadelphia"). Heartland has maintained its Workers' Compensation insurance coverage with Accident Fund National Insurance Company ("National").

Heartland has had to notify Philadelphia and National of several events that have occurred under the Contract. Philadelphia and National have both performed reviews of Heartland's participation under the Contract and determined that the risk profile of the Contract is much greater than that of any other contract Heartland is performing. Philadelphia has now delivered to Heartland notices of cancellation of the Package and Excess Liability Occurrence policies, effective at 12:01 a.m., on January 17, 2020. National has delivered to Heartland a notice of cancellation of the Workers' Compensation insurance policy effective at 12:01 am, on January 13, 2020. We are enclosing copies of these notices of cancellation to satisfy the notice of cancellation requirement under the Contract.

Heartland will need to pursue other insurance coverage for its various activities. With the Contract in place, Heartland is unsure whether it will be able to replace all of the cancelled policies, but if Heartland can obtain replacement policies, the premium cost will be much greater than the cost of the prior policies. Whether or not Heartland can obtain the replacement policies, the continuation of the Contract threatens to put Heartland out of business. With much regret, Heartland proposes that the City, KCPD and Heartland mutually agree to terminate the Contract effective as of the end of the day on December 31, 2019. Heartland will, of course, cooperate with the transition of all inmate confinement and detention services to a new provider. Heartland would welcome the opportunity to provide for the City and KCPD our traditional re-entry and rehabilitation services, which would not involve any confinement or detention.

I will be happy to discuss these matters with you or other representatives of the City and the KCPD.

Sincerely,

HEARTLAND CENTER FOR BEHAVIORAL CHANGE

By: Kyle Mead
Kyle Mead, President/CEO

cc: City Attorney
Law Department of Kansas City, Missouri
414 E. 12th Street, 23rd Floor
Kansas City, MO 64106
(Via Fax: 816-513-3133)

Manager of Procurement Services
414 E. 12th Street, 1st Floor
Kansas City, MO 64106

NOTICE OF CANCELLATION OF WORKERS' COMPENSATION INSURANCE

NAME AND
ADDRESS
OF INSURANCE
COMPANY

Accident Fund National Insurance Company
P O Box 40790
Lansing, MI 48901-7990

NAME AND
ADDRESS
OF INSURED

Heartland Center for Behavioral Change
1730 Prospect
#100
Kansas City, MO 64127

| | |
|---|---|
| KIND OF POLICY | Workers' Compensation |
| POLICY/APPLICATION/BINDER NO | 1800011989 |
| EFFECTIVE DATE OF NOTICE | |
| 01/13/2020 (DATE) | 12 01 AM (HOUR-STANDARD TIME AT THE ADDRESS OF THE INSURED) |
| DATE OF MAILING | |
| NAME AND ADDRESS OF AGENT/BROKER | |
| Robert E. Miller Ins Agency, Inc 6363 College Blvd, Ste 400 Overland Park, KS 66211 | |

(Applicable item marked "X")

Cancellation

You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above
See the "Important Notices" section for other information that may apply

You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above for the reason(s) stated in the "Important Notices" section
See the "Important Notices" section for other information that may apply

Premium Adjustment

Unearned premium will be returned in accordance with state law and the terms of the policy

Enclosed is \$ _____, being the amount of return premium at pro rata rate for the unexpired term of this policy

A bill for the premium earned up to the time of cancellation will be forwarded in due course

The excess of paid premium, if any, above the pro rata premium for the expired time, (if not tendered) will be refunded upon demand

Other _____

Important Notices

Reason(s) for cancellation (reason(s) stated only if above marked item indicates such)
The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss

Replacement Insurance Information: If you are unable to obtain replacement coverage from another insurance company, you may be eligible for insurance through the organization designated below. For further information, please contact your agent or broker or the following organization

Jennifer McCay
AUTHORIZED REPRESENTATIVE

51021010N

PHILADELPHIA INDEMNITY INSURANCE COMPANY
1-877-438-7459
ONE BALA PLAZA, SUITE 100
BALA CYNWYD PA 19004
NOTICE OF CANCELLATION OF INSURANCE

Named Insured & Mailing Address:

HEARTLAND CENTER FOR BEHAVIORAL CHA
1730 PROSPECT AVE STE 100
KANSAS CITY MO 64127

Producer: 0000395

ROBERT E. MILLER INSURANCE AGENCY, INC.
8363 COLLEGE BLVD STE 400
OVERLAND PARK KS 66211

Policy No.: PHPK2030472
Type of Policy: PACKAGE
Date of Cancellation: 01/17/2020; 12:01 A.M. Local Time at the mailing address of the Named Insured.

We are cancelling this policy. Your insurance will cease on the Date of Cancellation shown above.

The reason for cancellation is *due to a change in condition in that Insured has entered into a contract with a governmental unit as an overflow prison facility which materially increases the hazard originally insured.*

You may request we provide you information about losses under this policy and previous policies, which we have issued to you not to exceed three years. We will provide the information to you within 30 days of your written request.

This policy provides fire and extended coverage insurance on your property. You should contact your agent concerning coverage through another insurer, or your possible eligibility for coverage through the Missouri Property Insurance Placement Facility, 906 Olive St., Suite 1000, St. Louis, MO 63101, Phone: (314) 421-0170.

Any excess premium not tendered, will be refunded within 30 days of this notice.

Named Insured

HEARTLAND CENTER FOR BEHAVIORAL CHA
1730 PROSPECT AVE STE 100
KANSAS CITY MO 64127

NOV 19 2019
Date Mailed:
12th day of November, 2019

NATALIE WRZENSKI

PHILADELPHIA INDEMNITY INSURANCE COMPANY
1-877-438-7459
ONE BALA PLAZA, SUITE 100
BALA CYNWYD PA 19004
NOTICE OF CANCELLATION OF INSURANCE

Named Insured & Mailing Address:

HEARTLAND CENTER FOR BEHAVIORAL CHANG
1730 PROSPECT AVE STE 100
KANSAS CITY MO 64127

Producer: 0000395

ROBERT E. MILLER INSURANCE AGENCY, INC.
6363 COLLEGE BLVD STE 400
OVERLAND PARK KS 66211

Policy No.: PHUB691459
Type of Policy: EXCESS LIABILITY OCCURRENCE
Date of Cancellation: 01/17/2020; 12:01 A.M. Local Time at the mailing address of the Named Insured.

We are cancelling this policy. Your insurance will cease on the Date of Cancellation shown above.

The reason for cancellation is *due to a change in condition in that Insured has entered into a contract with a governmental unit as an overflow prison facility which materially increases the hazard originally insured.*

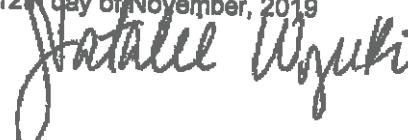
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Named Insured

HEARTLAND CENTER FOR BEHAVIORAL CHANG
1730 PROSPECT AVE STE 100
KANSAS CITY MO 64127

Date Mailed:
12th day of November, 2019


Natalie Wrzenski

NATALIE WRZENSKI